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# Cote d'Ivoire

# Exporter Guide Report

# 1999

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**Report Highlights:**
**The Ivorian economy remains strong in 1999 due to increased investments and expansion of exports. However, current low world market for its main export products is expected to moderate economic expansion. The market for U.S. products is small but prospects are high as American products hold an allure of quality for Ivorian consumers . Also, the large Lebanese community, which plays an important role in the Ivorian economy, is very receptive to U.S. products.**

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## SECTION I. MARKET OVERVIEW

The Ivorian economy remained strong in 1999 due to increased investments and expansion in the volume of exports. The rate of investment has doubled from 7.8 percent in 1993 to 17.1 percent in 1999. Despite low world market prices, increased production and exports of five major crops - cocoa, coffee, palm oil, banana and pineapple - have contributed to improve the trade balance and the balance of payment. The GDP grew by 6 percent in 1998, but is expected to rise only 4.5 percent in 1999. Cote d'Ivoire has an excellent infrastructure and a good natural resource base. Per capita income is expected to increase from $723 to $754 in 1999.

Consumer ready food market continues to increase due to expansion in the economy. Consumer ready food imports were $152 million in 1997, are estimated at $195 million in 1998, and should rise to $245 million in 1999. This high expansion rate is supported by a relatively small consumer group comprising middle and high income groups.

Only about 11 percent of the labor force(18-55 - year olds, making up 54% of the population) are wage earners, with the rest of this group made up of farmers, self-employed and unemployed.

Of the three income groups, the low income group represents about 65 percent of the working population, comprising lower level civil servants, clerks, guards, messengers, household servants and poorly educated rural farmers. This group's purchase of imported consumer ready food products is occasional and minimal.

The middle income group accounts for 30 percent of the working population, mainly young university or technical college graduates working for the government, in the private sector or in regional institutions. This group's purchase of imported consumer ready food products is relatively small.

The bulk of imported consumer ready food products is purchased by the high income group which accounts for about 5 percent of the working population. This group consists of high level civil servants, business executives, plantation owners, expatriates in various economic fields and high level personnel in regional institutions such as African Development Bank and UN agencies. A significant proportion of the high or upper middle income group is made of 150,000 member Lebanese population. They dominate the retail and wholesale trade and have a strong influence on importing and marketing decisions.

A promising sign of future expansion in imported consumer ready food products is the large and rising proportion of urban households, with about 60 percent owning refrigerators, as well as the increasing number of women working outside the home(about 40 percent).

Imports of U.S. consumer ready food products are limited due to lack of sustained interest on the part of U.S. exporters. U.S. companies are discouraged by the difficulties of dealing in French and of working in markets which have strong ties with existing suppliers (particularly France). However, the situation is improving slowly and some U.S. products are making inroads into the Ivorian market.

| **Advantages** | **Challenges** |
|---|---|
| Renewed interest due to Cote d'Ivoire's status as a major commercial hub in Sub-Sahara Africa; increasing number U.S.-trained Ivorian graduates assuming commanding position in the economy; the large size of the relatively wealthy Lebanese community with their preference for U.S. products; and growing economy looking for new products. | Lack of U.S. interest due to the relatively small market size and perceived French and European domination of the market. |
| Regular liner shipping from U.S. Gulf and East Coast ports started in 1998. | Higher freight rates and longer transit times from the U.S. than from Europe. |
| The FAS Supplier Credit Guarantee Program gives exporters a guarantee for credit extended directly to importers for up to 180 days. | Favorable credit terms by European suppliers to local importers and limited and costly financing resources for and Ivorian buyers |
| January 2000, Cote d'Ivoire and the other 7 countries of the UEMOA (the West African Economic and Monetary Union) eliminate tariffs between themselves and go to a common external tariffs for imports. | High business costs relative to neighboring African countries such as port processing and custom duties. |

## SECTION II. EXPORTER BUSINESS TIPS

Cote d’Ivoire maintains strong historical, cultural and economic links with France and Europe in general. There is a clear desire for business to be conducted with Ivorian partnership in mind, as there is still some residual suspicion of large foreign business which is rooted in the excesses of the colonial and neo-colonial past. Due to language and cultural barriers, the Ivorian attitude towards conducting business with U.S. firms is best described as tentative. It is critical to establish and maintain a high level of personal contact within Cote d’Ivoire; it is not possible to mount a successful enterprise through telephone or fax contact alone. Ivorian values are more traditional than those of Americans. This tendency extends to business dealings as well. People are extremely polite; it is customary to greet everyone you meet. Even a long-term partner or business contact is usually greeted with an exchange of pleasantries, followed by a handshake and inquiries about one’s health, family and relatives. While coming to the point directly is admired in American culture, Ivorians tend to be more laid-back and patient and may find the aggressive "American style" disturbing. Ivorians prefer regular, face-to-face contact; in fact, personal visits are warmly welcomed. While visits may not be the most efficient method, it is generally regarded as the most effective method of handling new trade initiatives. For Ivorians, trust in a business relationship is paramount and cannot be achieved sight unseen. The cornerstone of a successful business relationship is to adapt to a pace of business and life that is more moderate than in the U.S.

Lebanese importers and distributors play an important role in Ivorian imported consumer ready food product market. They are receptive to U.S. products and company representatives are generally conversant in English. However, French is still their preferred language for business transactions.

**Labelling**

There are labeling requirements for canned and partly preserved foods produced in the Cote d’Ivoire or imported. These products must have the following information marked on their container or packaging in Latin characters and Arabic numerals which are clearly legible, indelible, and of at least three millimeters in height:

•Country of origin
•Uncoded product manufacture date, specified by the day, the month, and the year and with each of the forgoing separated by a hyphen
•The shelf life, marked in the same manner as the manufacture date above, preceded by the comment "to be consumed preferably before the "
•When the information required by the above paragraph is concealed by a label, this information must be reproduced under the same conditions on the label.
•When the canned or partly preserved food has undergone processing in another country which has changed the nature of the product, the country where this processing has been done is considered to be the country of origin insofar as labeling and product description are concerned.
•The label, written in the official language of Cote d’Ivoire (French) or bearing at least a translation must consist of:

1. The product name;
2. The name and address of the manufacturer or the packer or the exclusive distributor or the importer of the canned or the partly preserved product;

3. The complete list of the product's ingredients as a proportion of the product and in decreasing order of importance;

a.When the ingredient is made up of more than one constituent the name of each constituent must appear on the list of ingredients.

b. The addition of water must be mentioned in the list of ingredients unless it is used in the constitution of pickling brine, syrup or in a broth.

The Ivorian government has liberalized the importation of goods and services. There are no more quotas and importers no longer need prior authorization.

**Tariffs**

Cote d'Ivoire has a tariff structure composed of two basic customs charges: a fiscal duty and a customs duty. Together the maximum rate is 35 percent. There is also a statistical tax of 2.6 percent paid on all declarations, a value added tax (VAT) of 20 percent, special compensatory levies on meat and poultry imports and specific excise taxes on tobacco products and alcoholic beverages. Duties are based on ad valorem rates which are imposed on the current export price from the country of sale or origin plus any shipping or insurance expenses incurred (CIF). The method of value assessment in use is based on the Brussels Definition of Value (BDV). Cote d'Ivoire is yet to implement the Customs Valuation Code (CVC) of the WTO.

**Inspection**

All imported goods are submitted to inspection for quality, quantity and price before shipment from origin. This system is intended to reduce all sorts of fraudulent trade. Cote d'Ivoire subscribes to the pre-inspection service of the Swiss company, Societe Generale de Surveillance (SGS). All goods entering the Cote d'Ivoire that are worth more than F CFA 1 million (1 USD equals approximately FCFA 600) must be inspected by SGS at the point of origin to ensure that invoice valuation is consistent with the goods actually shipped. Quality inspection is also done at this time. An SGS certificates is then used as the basis for customs valuation. SGS inspection process is triggered by the local (Ivorian) importer when he/she applies for an import license, also known as a FRI (Fiche de Renseignements a l'information). The importer pays by a bank check 0.75 percent of the FOB value of the imports as a charge for SGS services. In 1998 SGS renewed its contract with the Ivorian government for two years.

## SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

The consumer ready food sector is estimated at about $850 million in 1998 and is expected to increase about 15 percent in 1999. The retail food sector is estimated at $380 million in 1998 and is increasing about 30 percent annually (Refer to IV9021 - Retail Food Sector Report). The HRI (hotel, restaurant, institutional) food service is estimated at $50 million in 1998 and is expected to increase about 7 percent in 1999. Cote d'Ivoire has 110 hotels of good standing of a total capacity of about 5,800 with about half located in Abidjan. However, only six hotels, four in Abidjan and one each in Yamoussoukro and Bouake received most of the estimated 300,000 tourists in 1998. The number of tourists is forecast at 500,000 in 2000.

Restaurant activities are expanding because of cultural change. Due to budgetary constraints faced by the family, dining out is uncommon. However, mid-day meal habits are changing. Previously, almost everyone went home for lunch. But noon-time traffic jams, increasing costs of transportation and home meal preparation, and a more time demanding work environment, cause more and more urban workers to eat outside the house at lunch time, generally at the traditional food market or small "maquis" (open air restaurants). Recently, Lebanese fast food outlets, which serve hamburgers, hot dogs, pizza and Lebanese snack foods, have become popular among the middle income group. High class restaurants are frequented at night and during the weekends by high income and some upper middle income groups. Maquis also do a good business among the middle and low class on weekends.

Institutional food service for universities, boarding schools, hospitals, military and police are on the rise. University enrollment has increased three fold over the past five years. Three new universities have been established at Bourke, Korhogo and Daloa in addition to the one in Abidjan. Recruitment into the military and police is increasing. However, most of these institutions are government owned and depend mainly on France and the EU for support. Therefore, the market for U.S. products is limited.

The food processing sector is the largest in francophone West Africa, but still small by industrialized nation standards. It is estimated at $420 million in 1998 and is expected to increase 8.5 percent in 1999. Cote d’Ivoire’s food processing industry consists of two sectors. The first group includes processing of locally produced agricultural raw materials to finished and semi-finished products. This group comprises cocoa processed into chocolate products and beverages, coffee processed into roasted and ground or soluble coffee, tomatoes into paste, sugar cane into candy and chewing gum, fruits into canned juices, oilseeds into edible vegetable oil, as well as mayonnaise, margarine and other products. This sector is receiving new investments to expand processing capacity particularly in cocoa, coffee and oilseeds. The government has privatized its substantial interests in the food processing sector.

The other food processing sector consists of the processing or repackaging of mainly imported ingredients. This includes beer, soft drinks, food seasonings, candy, crackers, and dairy products, such as UHT milk, yogurt, ice cream and condensed milk. Most of the processing facilities are owned by European companies which has been a constraint on the sale of U.S. food ingredients and additives to Cote d’Ivoire. However, the increased presence of Lebanese businessmen in this sector may provide increased opportunities for U.S. suppliers, as they look more at price and quality than traditional relationships. The domestic industry supplies about half the country’s needs of consumer ready food products.

With Cote d’Ivoire as a major commercial hub in Sub-Sahara Africa, many advertising agencies and companies have positioned themselves in the Ivorian market. Advertising agencies offer a wide variety of services including publicity and sales promotion. Advertising has increased in recent years, with a diversity of advertising products and services including large billboards, films, and video productions. Ivorians own more than 3 million television sets and 7 million radios. They are accustomed to consumer-oriented commercials and advertising and public service announcements. Suppliers of imported products are expected to provide advertising and promotional support, particularly if it is a new product or brand. Radio and TV commercials are commonly used, as are posters, point of sales displays, coupons and billboards. Commercials for TV are made locally, but there is a significant number of commercials produced by company headquarters. Over the past two years, the Ivorian government and the private sector have organized international trade fairs and exhibitions, primarily at the Hotel Ivoire’s convention center or at the Palais des Sports. Smaller exhibitions are held in small convention centers in Abidjan or in major cities throughout the country. Companies participating in these trade events have the opportunity to promote their products and services to the general public.

Packaging is important to the Ivorian consumer. Colorful designs, blister packs and small, reusable containers appeal to the consumer. Extended shelf life in a humid climate is also an important requirement.

Internet service is a new development but is spreading rapidly. Internet service providers include Africaonline and the GlobeAccess. There are two new entries but they are not yet operative. However, e-commerce is not a factor in the market at this time.

## SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

•Rice in Consumer Pack;
•Meat Offals;
•Processed fruits;
•Vegetables;
•Beans;
•Wine and other alcoholic beverages (bourbon);
•Sauces (particularly hot sauces);
•Ice cream;
•Cookies and confectionery items;
•Fresh fruits including apples, grapes and citrus;
•Breakfast Cereals;
•Snack foods.

These selections are made based on price competitivity of U.S products on the Ivorian market.

## SECTION V. KEY CONTACTS AND FURTHER INFORMATION

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Other reports on the market for high value food products for Cote d'Ivoire and the rest of the world can be found on the FAS homepage (http://www.fas.usda.gov).

# APPENDIX 1. STATISTICS

## A. KEY TRADE & DEMOGRAPHIC INFORMATION

| | |
|---|---|
| Agricultural Imports From All countries ($Mil) / U.S. Market Share (%) | $447 ; 6% 1/ |
| Consumer Food Imports From All Countries ($Mil) / U.S. Market Share (%) | $152 ; 3% 1/ |
| Edible Fishery Imports From All Countries ($Mil) / U.S. Market Share (%) | $153 ; 0% 1/ |
| Total Population (Millions) / Annual Growth Rate (%) | 15.9 ; 3.8% 2/ |
| Urban Population (Millions) / Annual Growth Rate (%) | 8.2 ; 4.5% 2/ |
| Number of Major Metropolitan Areas | 1 2/ |
| Size of the Middle Class (millions) | 2.6 ; 3% 3/ |
| Per Capita Gross Domestic Product (U.S. Dollars) | $754 4/ |
| Unemployment Rate (%) | N/A |
| Per Capita Food Expenditures (U.S. Dollars) | $250 4/ |
| Percent of Female Population Employed | 40% 2/ |
| Exchange Rate (US$1 = 600 F CFA) | |

NB:
1/ Cote d'ivoire Custome 1997 data
2/ 1998 Population estimates (Ministry of Economic and Finance)
3/ Population with Monthly Salary Range between $600 - $1600
4/ 1999 Estimates (Ministry of Economic and Finance)

**B. CONSUMER FOOD & EDIBLE FISHERY PRODUCT IMPORTS**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Cote d'Ivoire Imports | Imports from the World | | | Imports from the U.S. | | | U.S Market Share | | |
| ($1,000) | 1995 | 1996 | 1997 | 1995 | 1996 | 1997 | 1995 | 1996 | 1997 |
| CONSUMER-ORIENTED AGRIC TOTAL | 114979 | 126997 | 151546 | 2726 | 3831 | 4688 | 2 | 3 | 3 |
| Snack Foods (Excl. Nuts) | 1658 | 2106 | 2452 | 50 | 67 | 68 | 3 | 3 | 3 |
| Breakfast Cereals & Pancake Mix | 5477 | 5434 | 4744 | 0 | 11 | 0 | 0 | 0 | 0 |
| Red Meats, Fresh/Chilled/Frozen | 5000 | 5794 | 6546 | 1003 | 1815 | 2591 | 20 | 31 | 40 |
| Red Meats, Prepared/Preserved | 1714 | 1174 | 2614 | 18 | 2 | 1 | 1 | 0 | 0 |
| Poultry Meat | 1366 | 1292 | 1711 | 33 | 48 | 14 | 2 | 4 | 1 |
| Dairy Products (Excl. Cheese) | 42147 | 51344 | 44808 | 18 | 661 | 1 | 0 | 1 | 0 |
| Cheese | 1683 | 1866 | 2061 | 16 | 0 | 1 | 1 | 0 | 0 |
| Eggs & Products | 1359 | 1035 | 1765 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fresh Fruit | 2591 | 3130 | 3931 | 6 | 3 | 11 | 0 | 0 | 0 |
| Fresh Vegetables | 6529 | 7448 | 10874 | 1 | 0 | 0 | 0 | 0 | 0 |
| Processed Fruit & Vegetables | 8040 | 8612 | 6925 | 23 | 96 | 28 | 0 | 1 | 0 |
| Fruit & Vegetable Juices | 307 | 404 | 268 | 21 | 6 | 73 | 7 | 1 | 27 |
| Tree Nuts | 84 | 94 | 115 | 14 | 14 | 9 | 17 | 15 | 8 |
| Wine & Beer | 12391 | 12606 | 12669 | 23 | 15 | 34 | 0 | 0 | 0 |
| Nursery Products & Cut Flowers | 641 | 536 | 582 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pet Foods (Dog & Cat Food) | 271 | 387 | 246 | 0 | 2 | 2 | 0 | 1 | 1 |
| Other Consumer-Oriented Products | 23721 | 23330 | 48967 | 1479 | 1084 | 1781 | 6 | 5 | 4 |
| | | | | | | | | | |
| FISH & SEAFOOD PRODUCTS | 142688 | 145776 | 152608 | 3 | 4 | 2 | 0 | 0 | 0 |
| Salmon | 116 | 239 | 316 | 0 | 3 | 2 | 0 | 1 | 0 |
| Surimi | 0 | 0 | 0 | 0 | 0 | 0 | ERR | ERR | ERR |
| Crustaceans | 556 | 469 | 719 | 0 | 0 | 0 | 0 | 0 | 0 |
| Groundfish & Flatfish | 130 | 250 | 286 | 0 | 0 | 0 | 0 | 0 | 0 |
| Molluscs | 133 | 205 | 166 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Fishery Products | 141753 | 144613 | 151121 | 3 | 1 | 0 | 0 | 0 | 0 |
| | | | | | | | | | |
| AGRICULTURAL PRODUCTS TOTAL | 441784 | 414106 | 446942 | 33331 | 24735 | 26855 | 8 | 6 | 6 |
| AGRICULTURAL, FISH & FORESTRY TOTAL | 589338 | 562299 | 626742 | 33340 | 24763 | 26859 | 6 | 4 | 4 |
| | | | | | | | | | |
| Source: Statistiques du Commerce Exterieur de la Cote d'Ivoire. | | | | | | | | | |

**C. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS**

| | | | |
|---|---|---|---|
| Cote d'Ivoire Imports | | | |
| CONSUMER-ORIENTED AG TOTAL ($1,000) | | | |
| | 1995 | 1996 | 1997 |
| France | 36580 | 37508 | 41592 |
| Netherlands | 18042 | 24569 | 24243 |
| Spain | 12931 | 15230 | 15697 |
| Italy | 12444 | 12912 | 11713 |
| United Kingdom | 5536 | 8532 | 10463 |
| Germany | 7516 | 7896 | 9072 |
| Belgium | 5672 | 4733 | 4805 |
| United States | 2726 | 3831 | 4688 |
| Ireland | 1639 | 2826 | 1813 |
| S.Afr.Cus.Un | 1941 | 2586 | 3434 |
| New Zealand | 4293 | 1425 | 293 |
| Canada | 2184 | 1293 | 1261 |
| Denmark | 2189 | 1402 | 1753 |
| Turkey | 403 | 1008 | 1966 |
| India | 333 | 575 | 835 |
| Other | 550 | 671 | 17918 |
| World | 114979 | 126997 | 151546 |

| | | | |
|---|---|---|---|
| Cote d'Ivoire Imports | | | |
| FISH & SEAFOOD PRODUCTS ($1,000) | | | |
| | 1995 | 1996 | 1997 |
| France | 32936 | 36330 | 42631 |
| Russian Federation | 23462 | 25484 | 33560 |
| Mauritania | 17880 | 20037 | 14925 |
| Netherlands | 14972 | 16655 | 16615 |
| Spain | 20652 | 14511 | 7965 |
| Senegal | 11246 | 8216 | 9209 |
| Guinea | 3794 | 6698 | 5488 |
| Ireland | 1 | 4354 | 2862 |
| Morocco | 3869 | 2681 | 3133 |
| Vanuatu/New Hebrides | 2328 | 2203 | 627 |
| Norway | 7475 | 1658 | 6580 |
| China | 659 | 1648 | 2754 |
| Korea, Republic of | 1981 | 1600 | 377 |
| Germany | 0 | 968 | 2 |
| United Kingdom | 232 | 652 | 1993 |
| Other | 1202 | 2080 | 3888 |
| World | 142688 | 145776 | 152608 |
| | | | |
| Source:Statistiques du Commerce Exterieur de la C.I. | | | |